



## Styrene Butadiene Rubber (Asia-Pacific)

By Ai Teng Lim  
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Please click [here](#) for full details on the criteria ICIS uses in making these price assessments.

### OVERVIEW

- **Muted discussions**
- **Low buying interest**
- **Wide-ranging offers from diverse origins**

Asian spot prices for styrene butadiene rubber (SBR) were flat amid range-bound offers heard for cargoes from different origins.

Overall, market sentiment remains weak, with downstream demand still mired in bearishness amid mounting recession concerns.

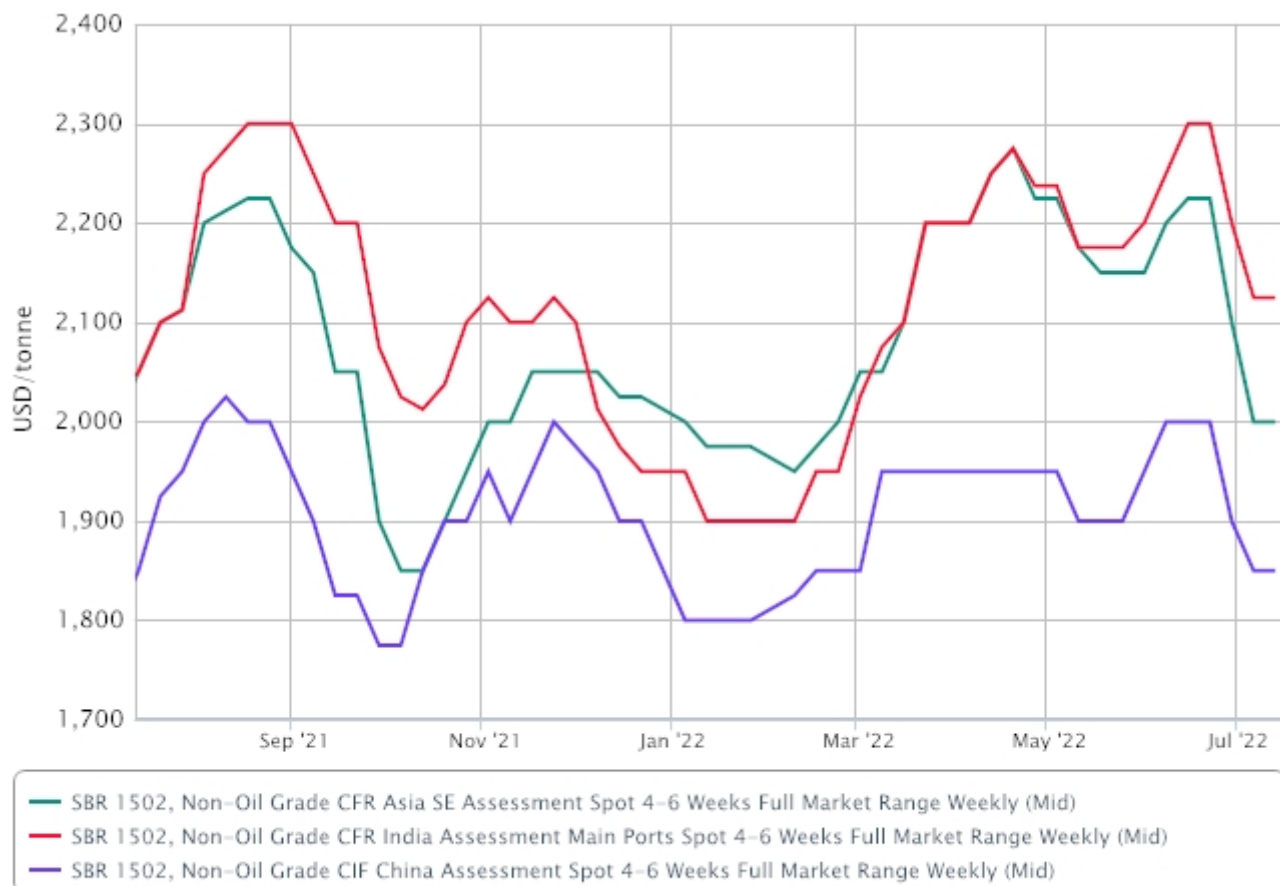
[Volatility](#) in upstream crude market this week also heightened anxieties, with many apprehensive to take position until things have stabilised upstream.

Buying interest was also dampened by persistent concerns about pace of recovery in operations at the key downstream auto sector, which will be affected if consumer spending get squeezed more by rising inflation.

Supply wise, export availabilities from China remain ample. Currently, usage of these China-origin materials may still be limited in nature as not all downstream units in the region are configured to receive and deploy such materials readily.

But market players said that the existence of such competitively-priced alternatives do serve to dilute buying appetite for cargoes from other entrenched and regular suppliers. `

That said, the other mainstream northeast Asian suppliers seemed reluctant to compete and widen discounts on their current offers, citing need to preserve bottom lines that were already deeply eroded by high utility and logistics costs. Some are looking instead to trim their own operations to minimise unsold volumes.



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## OUTLOOK

- China SBR makers see limited domestic demand support
- Export availabilities from China may continue to rise as such
- Downside pressures may persist on offers from other suppliers in wider Asia

## PRICES

### SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
<b>SBR 1502, Non-Oil Grade</b>						
<b>CIF China</b>	USD/tonne	n/c	1800-1900	n/c	1950-2050	81.65-86.18
<b>CFR Asia SE</b>	USD/tonne	n/c	1950.00-2050.00	n/c	2200.00-2250.00	88.45-92.99
<b>CFR India Main Ports</b>	USD/tonne	n/c	2000.00-2250.00	n/c	2200.00-2400.00	90.72-102.06
<b>SBR 1712, Oil-Extended</b>						
<b>CIF China</b>	USD/tonne	n/c	1700-1800	n/c	1850-1950	77.11-81.65
<b>CFR Asia SE</b>	USD/tonne	n/c	1850.00-1950.00	n/c	2150.00-2200.00	83.91-88.45
<b>CFR India Main Ports</b>	USD/tonne	n/c	1900.00-2150.00	n/c	2150.00-2350.00	86.18-97.52

## China

CIF China assessments for both the non-oil 1502 and the oil-extended 1712 grades were rolled over in the absence of any substantive discussions. No fresh buy-sell pricing indications surfaced too, market source said.

The local market is amply supplied, and downstream requirements were weak to begin with, market players said.

Domestic prices in China for 1502 SBR fell on lacklustre buying momentum.

### East China domestic SBR 1502 prices

Price (CNY/tonne)	13 Jul	06 Jul
E China Ex-Warehouse	12,000-12,100	12,200-12,400

## Southeast Asia

CFR SE Asian prices for the non-oil 1502 grade held steady, with stable discussions heard at the higher end for cargoes from regular northeast Asian suppliers.

China-origin materials were heard indicated at the low-end of the published range, but substantive discussions were curbed as these have limited outlets in the region.

CFR SE Asian assessments for the oil-extended 1712 grade were rolled with unchanged 1502 grade assessments.

### Natural Rubber SMR 20 Reference Price US cents/kg FOB Malaysia

Jul (1-13) 2022	Jun 2022	May 2022	Apr 2022	Mar 2022	Feb 2022	Jan 2022
161.87	164.15	162.81	171.15	175.18	179.84	178.12

## India

CFR India discussions for the non-oil 1502 grade remained split between cargoes from different origins.

Assessments held steady on range-bound indications heard for NE Asia-origin materials, captured at the higher end.

The low end captures discussions heard for China-origin materials, although no fresh transactions were heard for the week.

Market players also highlighted that as China-origin materials are subject to higher import tariffs, compared to say, Korea-origin cargoes, these may appeal more only to select customers who carry prior approvals to purchase on duty-exempt basis.

CFR Indian assessments for the oil-extended 1712 grade were rolled over, in line with non-oil 1502 assessments.

## UPSTREAM

### Butadiene

- [Bearish](#) buying indications
- Supplies lengthening too
- Scant offers

The chart below shows the spread between butadiene and SBR.

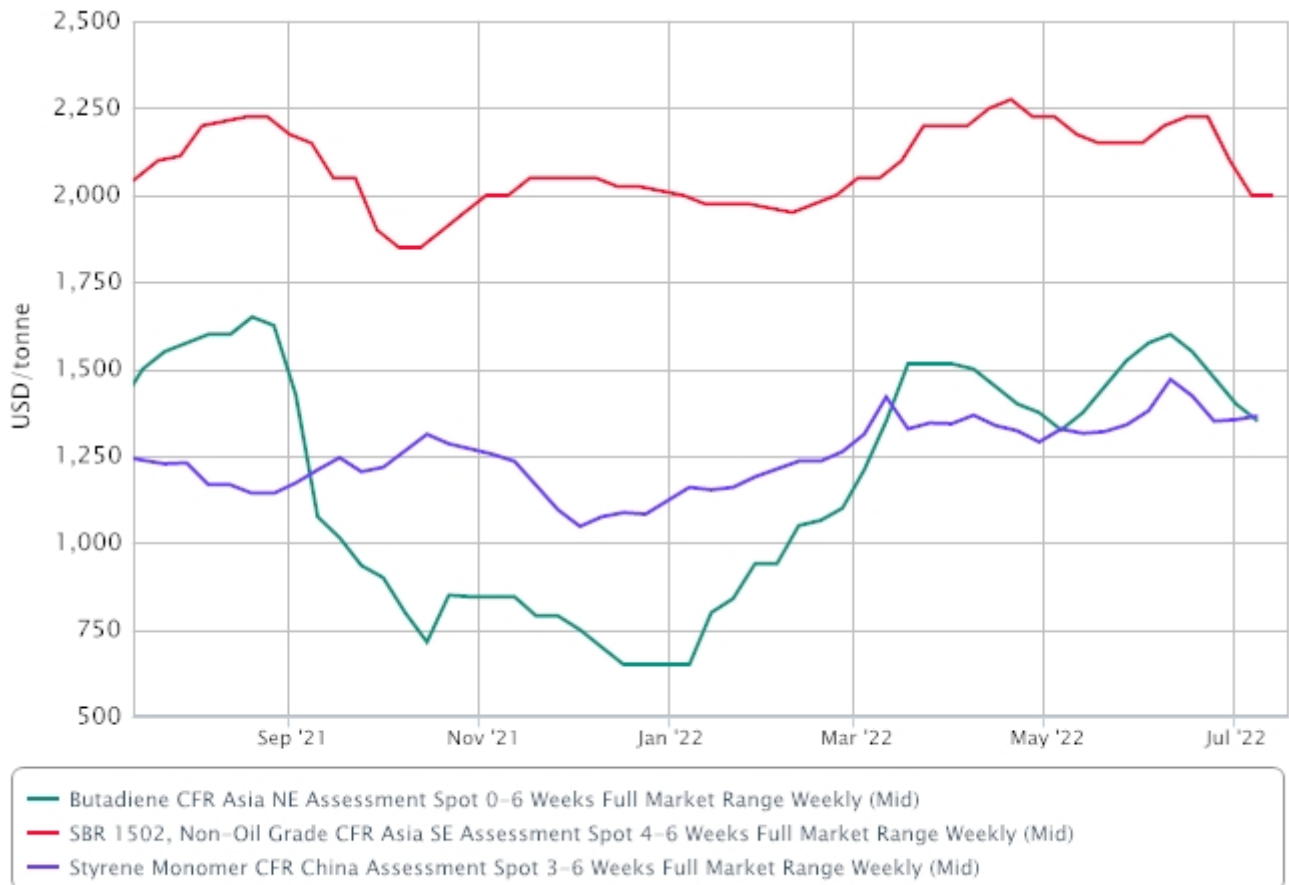
[Downstream spread – butadiene NE Asia and SBR SE Asia](#)



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**Styrene:**

- Down on weaker futures, energy performance
- Regional demand remains curtailed by low downstream op rates
- Prompt Chinese market buoyed by balanced-to-tight supply



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## PRODUCTION

In China, operating rates of local SBR plants rose to 65% for the week ended 9 July, compared to 63% in the week prior, market source said.

But in wider Asia, SBR output is poised to tighten with [output cuts](#) at some regional plants.

Click [here](#) for the Asian SBR Live Disruption Tracker.

## OTHER REGIONS

### Europe

- Spot prices decline
- Demand slows in spot market
- Regular tyre demand still steady

### US

- July pricing facing higher BD, SM, energy costs
- Supply sufficient even with upstream constraints
- Demand healthy despite curbed auto production

## ANALYTICS

### ICIS Styrene Outlook

The Europe styrene market is heading into a few difficult weeks. Demand into derivatives is cooling due to high prices and a weakening economic outlook. Supply also remains under pressure from high costs. A record jump in benzene prices in July and recent gains in natural gas costs have resulted in a significant squeeze on margins at European styrene producers and are likely to lead to lower operating rates in the weeks ahead.

This is expected to add further pressure to supply following the closure of the region's largest styrene unit at Maasvlakte in the Netherlands, earlier this month. LyondellBasell declared force majeure after the plant experienced a technical fault with its wastewater facility. Repairs are expected to run into the second half of July.

The return of styrene imports from the US is expected to be delayed further, even though US styrene units have restarted following a heavy turnaround schedule.

US benzene prices have driven US styrene spot prices above those in Europe and exports have become uneconomical. We believe that it will be several weeks before prices normalise and US prices become competitive again. Supply is therefore likely to be limited over the coming weeks, although imports from Asia and the Middle East may provide some relief.

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